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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

ROTHSCHILD STORAGE RETRIEVAL  
INNOVATIONS, LLC,

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD.,  
SAMSUNG ELECTRONICS AMERICA,  
INC., AND SAMSUNG  
TELECOMMUNICATIONS AMERICA,  
LLC,

Defendants.

CASE NO. 4:15-cv-00539-EDL

**SAMSUNG DEFENDANTS' MOTION TO  
STAY PENDING *INTER PARTES* REVIEW**

Date: May 19, 2015  
Time: 9:00 a.m.  
Place: Courtroom E, 15th Floor

Hon. Elizabeth D. Laporte

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1 **NOTICE OF MOTION**

2 TO THE COURT AND ALL COUNSEL OF RECORD:

3 NOTICE IS HEREBY GIVEN that on May 19, 2015, at 9:00 a.m., or as soon thereafter as  
4 counsel may be heard in Courtroom E of the above-titled court, located at 450 Golden Gate  
5 Avenue, San Francisco, CA 94102, Defendants Samsung Electronics Co., Ltd., Samsung  
6 Electronics America, Inc., and Samsung Telecommunications America, LLC (“Samsung”) will  
7 and hereby do move this Court for an order to stay this case, pending final resolution of an *inter*  
8 *partes* review (“IPR”) of the single patent-in-suit. (Ex. 1 (IPR petition).)<sup>1</sup>

9 This motion is based on the memorandum below and the Declaration of Wasif Qureshi, all  
10 pleadings, papers and records on file in this action, and such oral argument as may be presented at  
11 the hearing on this matter.

12 **STATEMENT OF RELIEF**

13 Samsung seeks an Order from the Court staying this case until further order of this Court  
14 following the later of (1) the PTAB’s denial of the IPR petition, or (2) the issuance of the final  
15 written decision in the IPR proceeding that the PTAB instituted and the completion of any appeal  
16 thereof.

17 **MEMORANDUM OF POINTS AND AUTHORITIES**

18 **I. INTRODUCTION**

19 This is a patent infringement case where non-practicing entity Rothschild Storage  
20 Retrieval Innovations, LLC (“RSRI”) is asserting a single patent against Samsung. The patent-in-  
21 suit, U.S. Patent No. 8,437,797 (“the ’797 Patent”), purportedly relates to wireless image  
22 distribution. RSRI is also asserting the same patent against six other defendants—Sony Mobile,  
23 HTC, Apple, LG, Nokia, and Motorola—under six other case numbers. All of the cases were  
24 originally filed in the Southern District of Florida, but now this one and three others—the cases  
25 against Sony Mobile, HTC, and Apple—have been transferred to this Court.

26 On December 19, 2014, Google Inc. (“Google”) filed an IPR petition with the Patent Trial

27 <sup>1</sup> Unless otherwise indicated, all exhibits are attached to the Declaration of Wasif Qureshi; all  
28 emphasis is added; and all internal citations and quotations are omitted.

1 and Appeal Board (“PTAB”) of the United States Patent and Trademark Office (“PTO”),  
2 challenging the validity of all claims of the ’797 Patent. In order to preserve judicial resources  
3 and to promote the efficient resolution of this dispute, Samsung respectfully moves to stay this  
4 case pending the final resolution of that petition. All factors here weigh in favor of a stay.

5 First, this case is still in its infancy, and thus the early stage of this litigation strongly  
6 favors a stay. An initial case management conference has not yet been held, and therefore there is  
7 no case schedule and no trial date has been set. Nearly all of the work related to this case for the  
8 parties and the Court remains yet to come.

9 Second, a stay will simplify the issues in the litigation because it is highly likely that the  
10 PTAB will institute the IPR, as approximately 76% of such petitions have been granted. (Ex. 2 at  
11 2.) Moreover, only 10% of the claims instituted have survived IPR. (Ex. 3). In the absence of a  
12 stay, some or all of the work of the Court and the parties will be wasted. Even if the PTAB  
13 unexpectedly confirms all claims, a stay will still simplify the case because the IPR will have  
14 developed the intrinsic record of the ’797 Patent and inform the claim construction process.

15 Third, a stay of this litigation will not result in any undue prejudice or tactical  
16 disadvantage to RSRI. RSRI is a non-practicing entity that has no actual business other than suing  
17 companies for patent infringement. It does not compete with Samsung, and has not sought a  
18 preliminary injunction. Courts routinely find, in cases such as this, that the mere delay inherent in  
19 the IPR process is not an *undue* prejudice, and therefore not a valid reason to deny a motion to  
20 stay. As a result, a stay is appropriate pending the final resolution of the IPR.

## 21 **II. PROCEDURAL HISTORY**

### 22 **A. This Case Is In Its Early Stages**

23 Non-practicing entity RSRI filed its complaint against Samsung in the Southern District of  
24 Florida on July 16, 2014, alleging that Samsung infringes the ’797 Patent. (D.I. 1.) RSRI  
25 simultaneously filed six other complaints against six other defendants—Sony Mobile, HTC,  
26 Apple, LG, Nokia, and Motorola—alleging infringement of the same patent. On November 4,  
27 2014, Samsung timely responded to the complaint by filing a partial motion to dismiss RSRI’s  
28 indirect infringement allegations. (D.I. 32.) On November 18, 2014, RSRI filed a first amended

1 complaint that substantially amended its indirect infringement allegations. (D.I. 38.) On  
2 December 3, 2014, RSRI, having obtained leave, filed a second amended complaint further  
3 revising its infringement allegations. (D.I. 42.) On December 22, 2014, Samsung answered the  
4 second amended complaint. (D.I. 46.)

5 Prior to filing its answer, on December 3, 2014, Samsung filed a motion to transfer venue  
6 to this District (D.I. 43, 44.) On February 2, 2015, the court in the Southern District of Florida  
7 granted Samsung's motion to transfer. (D.I. 54.) Separately, five of the six defendants in the  
8 other '797 Patent cases have also moved to transfer to this District; three of those motions have  
9 been granted (Sony, Apple, HTC), one denied (Motorola), and the other is still pending (LG).<sup>2</sup>

10 After this case arrived in this District, the Court set an initial case management conference  
11 for May 5, 2015, but no dates beyond that conference have been set. (D.I. 56, 67) The parties  
12 have not yet exchanged contentions or claim construction disclosures under the Northern District  
13 of California's Patent Local Rules<sup>3</sup> and there are no deadlines set for fact or expert discovery,  
14 dispositive motions, or trial.

### 15 **B. The *Inter Partes* Review Petition**

16 On December 19, 2014, Google filed an IPR petition with the PTAB, challenging the  
17 validity of all claims of the '797 Patent. (Ex. 1.) The IPR petition is based on five prior art  
18 references, only one of which was cited (although not applied) during the initial prosecution of  
19

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20 <sup>2</sup> The other '797 Patent cases are: *Rothschild Storage Retrieval Innovations, LLC v. Sony Mobile*  
21 *Communications (USA) Inc.*, Case No. 3:15-cv-00234-EDL (N.D. Cal.); *Rothschild Storage*  
22 *Retrieval Innovations, LLC v. Apple Inc.*, Case No. 3:15-CV-00541-EDL (N.D. Cal.); *Rothschild*  
23 *Storage Retrieval Innovations, LLC v. HTC Corporation et al.*, Case No. 3:15-cv-00373-EDL  
24 (N.D. Cal.); *Rothschild Storage Retrieval Innovations, LLC v. LG Electronics, Inc., et al.*, Case  
No. 1:14-cv-22654-DPG (S.D. Fla.) (transfer motion pending); *Rothschild Storage Retrieval*  
*Innovations, LLC v. Motorola Mobility LLC*, Case No. 1:14-cv-22659-RNS (S.D. Fla.) (transfer  
motion denied); and *Rothschild Storage Retrieval Innovations, LLC v. Nokia Corporation*, Case  
No. 1:14-cv-22657-DPG (S.D. Fla.) (no transfer motion filed).

25 <sup>3</sup> RSRI served "preliminary infringement theories" to Samsung on January 22, 2015. However,  
26 RSRI must significantly amend these contentions in order to comply with the Northern District of  
27 California's Patent Local Rules, as they fail to provide the specific disclosures required under the  
28 various subsections of Patent Local Rule 3-1 and since they are vague and fail to comply with the  
requirements of the Local Rules as articulated by this Court. *See, e.g., Theranos, Inc. v. Fuisz*  
*Pharma LLC*, 11-cv-05236, 2012 WL 6000798 (N.D. Cal. Nov. 30, 2012) (granting motion to  
strike plaintiff's infringement contentions for lack of sufficient detail and fair notice of the nature  
of the infringement claims alleged).



1 the '797 Patent. (*Id.* at 7-8.) The petition attacks the patentability of the asserted claims of the  
2 '797 patent based upon unique obviousness combinations. There are nine different grounds on  
3 which the PTAB could cancel some or all of the asserted claims of the '797 patent. (*See* Ex. 1.)  
4 RSRI's initial response to the IPR petition, if it chooses to file one, is due by April 20, 2015. If  
5 RSRI files an initial response, the last day for the PTAB to determine whether to institute the IPR  
6 is July 20, 2015.

### 7 **III. INTER PARTES REVIEW**

8 The IPR procedure was set up under the America Invents Act to allow the PTAB to  
9 review the patentability of one or more claims of a patent. *See generally*, 35 U.S.C. §§ 311-319.  
10 IPR allows a full adversarial challenge—including an oral hearing and discovery—to the validity  
11 of a patent based on prior art patents and printed publications. 35 U.S.C. §§ 311(b), 316(a); 37  
12 C.F.R. §§ 42.51, 42.53. Each IPR is conducted before a panel of technically trained patent judges  
13 who are part of the PTAB. 35 U.S.C. §§ 6, 311.

14 IPR replaces, and provides for a more expedited review than, the earlier *inter partes*  
15 reexamination procedure. *See Abbott Labs. v. Cordis Corp.*, 710 F.3d 1318, 1326 (Fed. Cir.  
16 2013). Once a petitioner files a request for IPR, the patent owner may file a preliminary response  
17 within three months of the petition. 37 C.F.R. § 42.107(a)-(b). The PTAB must then decide  
18 whether to institute the IPR within three months of the patent owner's preliminary response or, if  
19 patent owner does not file a preliminary response, by the last day on which the response could  
20 have been filed. 35 U.S.C. § 314(b). In this case, that is April 20, 2015 if RSRI does not file a  
21 preliminary response, and July 20, 2015 otherwise. If the PTAB institutes IPR, it must issue its  
22 final decision within one year of the institution date, with the possibility of a six-month extension  
23 upon a showing of good cause. 37 C.F.R. § 42.100(c). As a result, the entire process must be  
24 completed in no more than 18 months. Thus, the new IPR procedure is much faster than the pre-  
25 existing *inter partes* reexamination it replaced. *See Asetek Holdings, Inc. v. Cooler Master Co.*,  
26 No. 13-cv-00457-JST, 2014 WL 1350813, at \*2 (N.D. Cal. April 3, 2014) (“[T]he IPR timeline is  
27 more compressed than the timelines under either the predecessor *inter partes* reexamination  
28 procedure or the *ex parte* reexamination procedure.”). As this Court recently stated:

1 In order to institute an IPR trial, the PTO must determine that the  
2 petition presents “a reasonable likelihood that the petitioner would  
3 prevail with respect to at least 1 of the claims challenged in the  
4 petition,” 35 U.S.C. § 314(a), which is a “more stringent  
5 [requirement] than the previous ‘substantial new question of  
6 patentability’ standard.”

7 *Evolutionary Intelligence, LLC v. Yelp Inc.*, No. C-13-03587 DMR, 2013 WL 6672451, \*2 (N.D.  
8 Cal. Dec. 18, 2013) (quoting *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F.  
9 Supp. 2d 1028, 1030 (C.D. Cal. 2013)).

10 IPR usually results in the cancellation of one or more claims. IPR petitions likely will be  
11 granted, as approximately 76% of such petitions have been granted thus far. (Ex. 2 at 2.)  
12 Moreover, only 10% of the claims instituted have survived IPR. (Ex. 3.) Statistics on *ex parte*  
13 reexamination are also instructive—from 1999 through September 2013, 31% of *ex parte*  
14 reexaminations canceled all claims, and 61% canceled or changed some of the claims, while only  
15 8% confirmed all claims. (Ex. 4 at 1, ¶7.)

#### 16 **IV. A PRE-INSTITUTION STAY OF THIS CASE IS APPROPRIATE**

17 A pre-institution stay of this case is within the Court’s discretion to grant, and similar  
18 stays have routinely been granted by courts in this and other districts.<sup>4</sup> In this regard, “the power  
19 to stay proceedings is incidental to the power inherent in every court to control the disposition of  
20 the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.”

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21 <sup>4</sup> See *Roche Molecular Sys., Inc. v. Cepheid*, No. C-14-3228-EDL, 2015 WL 124523, at \*3 (N.D.  
22 Cal. Jan. 7, 2015) (stay granted prior to *inter partes* institution); *Coho Licensing LLC v. Glam  
23 Media, et al.*, 2014 WL 4681699 (N.D. Cal. Sept. 17, 2014) (stay granted prior to *inter partes*  
24 institution); *Brixham Solutions, Ltd. v. Juniper Networks, Inc.*, 2014 WL 1677991 (N.D. Cal. Apr.  
25 28, 2014) (stay granted prior to *inter partes* institution); *Evolutionary Intelligence, LLC v. Sprint  
26 Nextel Corp.*, 2014 WL 819277, \*1 (N.D. Cal. Feb. 28, 2014) (stay granted prior to *inter partes*  
27 institution); *Evolutionary Intelligence, LLC v. Facebook, Inc.*, 2014 WL 261837 (N.D. Cal. Jan.  
28 23, 2014) (stay granted prior to *inter partes* institution); *Software Rights Archive, LLC v.  
Facebook, Inc.*, 2013 WL 5225522 (N.D. Cal. Sept. 17, 2013) (stay granted prior to *inter partes*  
institution); see also *Andersons, Inc. v. Enviro Granulation, LLC*, 2014 WL 4059886 (M.D. Fla.  
Aug. 14, 2014) (stay granted prior to *inter partes* institution); *Procter & Gamble Co. v. CAO  
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institution); *Dorman Prods., Inc. v. Paccar, Inc.*, 2014 WL 2725964, \*1 (E.D. Pa. June 16, 2014)  
(stay granted prior to *inter partes* institution); *Intellectual Ventures II LLC v. Huntington  
Bancshares Inc.*, 2014 WL 2589420, \*5 (S.D. Ohio June 10, 2014) (stay granted prior to *inter  
partes* institution); *Intellectual Ventures II LLC*, 2014 WL 2511308, at \*5 (W.D. Mo. June 4,  
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LLC*, 2014 WL 2505166, \*4 (N.D. Ill. May 29, 2014) (stay granted prior to *inter partes*  
institution).

1 *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). “Courts in this district often grant stays pending  
2 this new IPR process in light of the liberal policy in favor of granting motions to stay proceedings  
3 pending the outcome of USPTO reexamination or reissuance proceedings.” *Roche Molecular*  
4 *Sys., Inc. v. Cepheid*, No. C-14-3228-EDL, 2015 WL 124523, at \*3 (N.D. Cal. Jan. 7, 2015); *see*  
5 *also Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988) (“Courts have inherent  
6 power to manage their dockets and stay proceedings, including the authority to order a stay  
7 pending conclusion of a PTO reexamination.”). Such stays are granted in order to avoid  
8 inconsistent results, obtain guidance from the PTAB, or avoid needless waste of judicial  
9 resources. *See Evolutionary Intelligence, LLC v. Apple Inc.*, 2014 WL 93954 (N.D. Cal. Jan. 9,  
10 2014). Indeed, a stay pre-institution is particularly justified here in light of the early stage of this  
11 case and where a denial of the stay may result in inconsistent results, waste judicial resources and  
12 deny the Court the guidance from the PTAB regarding claim scope. *See Brixham Solutions*, No.  
13 13-cv-00616-JCS, 2014 WL 1677991 (N.D. Cal. Apr. 28, 2014) (staying action pending a  
14 decision by the PTAB regarding institution of *inter partes* review); *Software Rights Archive, LLC*  
15 *v. Facebook, Inc.*, Case No. 12-cv-03970 (RMW), 2013 WL 5225522 (N.D. Cal. Sept. 17, 2013)  
16 (same); *see also Coho Licensing LLC*, Nos. C 14-01576 to 01579, C 14-02127 and 02128, C 14-  
17 021230 to 021232, C 14-02718, 2014 WL 4681699, at \*3 (N.D. Cal. Sept. 17, 2014) (“[t]he fact  
18 that the PTAB has not yet determined whether it will grant the requests for IPR does not alter the  
19 Court’s finding.”). Notably, as one court has explained:

20           If the USPTO declines the petitions for IPR, the stay will quickly  
21           be lifted resulting in little delay. However, if the USPTO accepts  
22           the IPR petitions, the continuation of this litigation will likely result  
23           in the unnecessary expenditure of the parties’ and court’s time and  
             resources on claims that may be fundamentally altered by the  
             USPTO’s determination regarding the patents-in-suit.

24 *Intellectual Ventures II LLC v. Commerce Bancshares, Inc.*, No. 2:13-cv-04160-NKL, 2014 WL  
25 2511308, at \*4 (W.D. Mo. June 4, 2014) (citing *E-Watch, Inc. v. Lorex Canada, Inc.*, No. H-12-  
26 3314, 2013 WL 5425298, \*2 (S.D. Tex. Sept. 26, 2013)). The same analysis applies here.

27           In determining whether to grant a stay pending reexamination, courts consider whether:  
28

1 (1) discovery is complete and a trial date has been set; (2) a stay will simplify the issues in  
2 question and trial of the case; and (3) a stay will unduly prejudice or present a clear tactical  
3 disadvantage to the non-moving party. *PersonalWeb Techs., LLC v. Facebook, Inc.*, Case No. 13-  
4 cv-01356 (EJD), 2014 WL 116340, at \*3 (N.D. Cal. Jan. 13, 2014); *see also Roche Molecular*,  
5 2015 WL 124523, at \*3. Here, each factor weighs in favor of a stay.

6 **A. Factor One: The Early Stage of This Case Favors a Stay**

7 The first factor supports a stay because this case is still in its infancy and a stay would  
8 save the parties and the Court significant time and expense associated with continued litigation.  
9 Here, the only material progress to date has involved transferring the case to the proper district.  
10 The parties are still awaiting an initial case management conference. The parties have also not yet  
11 exchanged infringement and invalidity contentions under the Northern District of California's  
12 Patent Local Rules. There are no deadlines for fact or expert discovery, dispositive motions, or  
13 trial. *See Evolutionary Intelligence, LLC v. Facebook, Inc.*, Nos. C 13-4202 SI, 4204 SI, 2014  
14 WL 261837, at \*2 (N.D. Cal. Jan 23, 2014) ("When, as here, there has been no material progress  
15 in the litigation, courts in this district strongly favor granting stays pending inter partes  
16 [review].") (quoting *Pragmatus AV, LLC v. Facebook, Inc.*, No. 11-cv-02168-EJD, 2011 WL  
17 4802958, at \*3 (N.D. Cal. Oct. 11, 2011)).

18 Indeed, courts in this District have consistently found a stay appropriate even when the  
19 underlying litigation has advanced much farther than in the present case. *See, e.g., Roche*  
20 *Molecular*, 2015 WL 124523, at \*3 (granting stay where the parties had already held the initial  
21 case management conference); *Lelo, Inc. v. Standards Innovation (US) Corp.*, Case No. 01393  
22 (JD), 2014 WL 2879851, at \*3 (N.D. Cal. June 24, 2014) (granting stay where the parties had  
23 served some written discovery requests, exchanged initial disclosures and plaintiff's infringement  
24 contentions, and a trial date had been set); *Evolutionary Intelligence, LLC v. Sprint Nextel Corp.*,  
25 No. C-13-4513-RMW, 2014 WL 819277, at \*3 (N.D. Cal. Feb. 28, 2014) (granting stay where  
26 the deadline for initial disclosures and infringement and invalidity contentions had already  
27 passed); *PersonalWeb*, 2014 WL 116340, at \*4 (granting stay where a claim construction order  
28 had already been issued); *Pi-Net Int'l, Inc. v. Focus Bus. Bank*, Nos. C-12-4958-PSG, 4959-PSG,

1 4962-PSG, 2013 WL 4475940, at \*3 (N.D. Cal. Aug. 16, 2013) (granting stay where a trial date  
2 was scheduled but significant discovery remained); *see also Pragmatus AV*, 2011 WL 4802958,  
3 at \*2, \*4 (granting stay pending reexamination where plaintiff had served infringement  
4 contentions and written discovery); *Ho Keung Tse v. Apple Inc.*, No. C 06-06573 SBA, 2007 WL  
5 2904279, at \*2-3 (N.D. Cal. Oct. 4, 2007) (noting that “[a] stay is particularly appropriate for  
6 cases in the initial stages of litigation or in which there has been little discovery”). Thus, because  
7 the present litigation is still in its infancy, this factor strongly favors a stay.<sup>5</sup>

8 **B. Factor Two: A Stay Will Simplify The Issues in Dispute**

9 The second factor supports a stay because it is highly likely that the PTAB will cancel  
10 some or all of the asserted claims, and regardless of the PTAB’s final action, a stay will simplify  
11 the litigation.

12 As an initial matter, it is likely that the PTAB will institute an IPR on the patents-in-suit.  
13 Since the inception of the IPR process, the PTAB has instituted approximately 76% of IPR  
14 petitions that have been filed. (Ex. 2 at 2.) That the IPR has not yet been instituted does not  
15 change the fact that the pending IPR petition, if granted, would simplify any remaining issues and  
16 streamline the trial in this case. *See Evolutionary Intelligence*, 2014 WL 261837, at \*3 (“any  
17 concern that the motions are premature is alleviated by the short time frame of the initial stay and  
18 the Court’s willingness to reevaluate the stay if *inter partes* review is not instituted for all of the  
19 asserted claims”). Even if the IPR is not instituted, the resulting delay would at most be a few  
20 months, because the law requires the PTAB to decide whether to institute within three to six  
21 months of the petition, depending on whether the patent owner decides to file a preliminary  
22 response. *See* 35 U.S.C. §§ 313-314. Thus, the PTAB will issue its decision to institute IPR no  
23 later than July 2015. Given this short timeline, judges have often stayed cases based on a request  
24 for IPR, noting that a court need not wait to see whether the PTAB grants the request “because  
25 the high probability that the request will be granted and potential benefits of IPR outweigh the

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26 <sup>5</sup> The fact the complaint was filed in July, 2014, is unimportant because the first element of the  
27 stay analysis focuses “on the stage of litigation proceedings, not the length of time that has passed  
28 since the filing of the case.” *Wireless Recognition Techs. v. A9.com Inc.*, No. 12-cv-01217-EJD,  
2012 WL 4005459, at \*2 (N.D. Cal. Sept. 11, 2012).

1 relatively modest delay resulting from the stay if the petition for IPR is denied.” *Roche*  
2 *Molecular*, 2015 WL 124523, at \*3; *Evolutionary Intelligence*, 2014 WL 261837, at \*3 (noting  
3 that “it is not uncommon for courts to grant stays pending reexamination prior to the PTO  
4 deciding to reexamine the patent.”) (quoting *Pragmatus*, 2011 WL 4802958 at \*3); *Evolutionary*  
5 *Intelligence LLC v. Yelp Inc.*, Case No. 13-cv-03587 (DMR), 2013 WL 6672451, at \*7 (N.D. Cal.  
6 Dec. 18, 2013) (“On the other hand, if the PTAB rejects the IPR request, the stay will be  
7 relatively short.”).

8 The IPR will simplify the litigation for a number of reasons. First, if the PTAB invalidates  
9 all of the asserted claims, the case will become moot, which is “the ultimate simplification of  
10 issues.” *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1314 (Fed. Cir. 2014); *see*  
11 *also Evolutionary Intelligence*, 2014 WL 261837, at \*2 (“[I]nter partes review has been sought  
12 for all the claims in the patents in suit. Therefore, if the petitions for review are granted, there is a  
13 chance that the review could simplify the case by rendering all of [the plaintiff’s] claims for  
14 infringement moot.”). Even if not all of the claims are invalidated, it will certainly simplify the  
15 issues for trial by removing those that are. Indeed, the PTAB’s statistics show that only 10% of  
16 the claims on which IPR was instituted have survived IPR. (Ex. 3.)

17 Second, arguments in support of the claims and any amendments to the claims made in the  
18 *inter partes* review may constitute a basis for intervening rights, thus limiting any damages claims  
19 for any ’797 Patent claims that survive *inter partes* review. *See* 35 U.S.C. § 318(c). Conversely,  
20 if the Court does not grant the stay, progress in this case may be undermined by claim  
21 amendments made during the IPR or by the PTAB’s claim constructions. *See, e.g., VirtualAgility*,  
22 759 F.3d at 1314 (noting that a patent owner’s claim amendments at the PTAB could make claim  
23 construction “a moving target.”).

24 Third, RSRI’s arguments during *inter partes* review will help define the scope of the  
25 asserted claims, should any claims survive. *Evolutionary Intelligence, LLC v. Sprint Nextel Corp.*,  
26 2014 WL 4802426, at \*4 (N.D. Cal. Sept. 26, 2014) (“Statements made by [the Patent Owner]  
27 during the IPR could disclaim claim scope, aid the court in understanding the meaning of the  
28 terms, or otherwise affect the interpretation of key terms.”).

1 Finally, the Federal Circuit’s recent decision in *Fresenius USA, Inc. v. Baxter Int’l, Inc.*  
2 provides another reason to stay the case. 721 F.3d 1330 (Fed. Cir. 2013). The Federal Circuit held  
3 that where the execution of a damages award has not yet occurred and the decision is not yet  
4 final—in that case, the award was on appeal to the Federal Circuit—district courts must give  
5 effect to the PTAB’s invalidity determination. *Id.* at 1343. Even if the parties’ disputes progress  
6 more quickly in the Court than in the PTAB, the IPR decision will ultimately govern, rendering  
7 all the Court’s and parties’ work in this action for naught. Before the Court and the parties  
8 expend unnecessary resources, the PTAB should be allowed to complete its review, which will  
9 narrow the issues and possibly eliminate them altogether. As a result, this factor strongly favors a  
10 stay.

11 **C. Factor Three: RSRI Will Not Suffer Undue Prejudice or Disadvantage**

12 There would be no undue prejudice to RSRI or a tactical advantage to Samsung resulting  
13 from a stay. The only potential prejudice to RSRI is delay, but, as this Court has previously noted,  
14 “without a more particularized showing of harm, this type of harm is inherent in any case delay  
15 and does not support the denial of a stay.” *Roche Molecular*, 2015 WL 124523, at \*5; *see also*  
16 *Evolutionary Intelligence*, 2014 WL 261837, at \*3 (“A delay inherent in the reexamination  
17 process does not constitute, by itself, undue prejudice.”); *Software Rights Archive*, 2013 WL  
18 5225522, at \*5 (“Delay alone, without specific examples of prejudice resulting therefrom, is  
19 insufficient to establish *undue* prejudice.”) (emphasis in original); *Pi-Net Int’l*, 2013 WL 4475940  
20 at \*4 (“Delays based on the length of the PTO’s review *standing alone* do not amount to undue  
21 prejudice.”) (emphasis in original).

22 Furthermore, RSRI, as a non-practicing entity, does not market any products covered by  
23 the claims of the ’797 Patent, much less any products that compete with any Samsung accused  
24 product. (D.I. 45 at 3 (“[RSRI] was formed by the inventor of the patent-in-suit for assertion of  
25 the patent-in-suit”).) Thus, a stay would have no competitive effect on RSRI’s ongoing business.  
26 Rather, if this litigation is stayed, RSRI retains the ability to collect money damages for any  
27 proven infringement. *See, e.g., Evolutionary Intelligence*, 2013 WL 6672451, at \*8 (“Courts have  
28 consistently found that a patent licensor cannot be prejudiced by a stay because monetary

1 damages provide adequate redress for infringement.”). Because RSRI does not practice the  
2 claimed invention but merely engages in patent assertion, money damages are an adequate  
3 remedy in this case. *See Speedtrack, Inc., v. Wal-Mart.com USA, LLC*, No. C 06-7336 PJH, 2009  
4 WL 281932, at \*1 (N.D. Cal. Feb. 5, 2009) (finding that stay’s effect on plaintiff’s ability to  
5 license its patented technology was not undue prejudice and that money damages would  
6 adequately compensate). In cases involving non-competitors, such as here, courts find that this  
7 factor “strongly favor[s] granting the stay” based on the following reasoning:

8       If the parties are not competitors (meaning that the plaintiff does not market any  
9       products or services covered by the claims of the patents-in-suit and does not seek  
10      a preliminary injunction), the plaintiff does not risk irreparable harm by the  
11      defendant’s continued use of the accused technology and can be fully restored to  
12      the *status quo ante* with monetary relief.

13      *Evolutionary Intelligence*, 2013 WL 6672451, at \*8 (citing cases); *see also PersonalWeb*, 2014  
14      WL 116340, at \*5 (“considering the parties are not competitors, any harm from the temporary  
15      halt in enforcing Plaintiffs’ rights in the asserted patents can be addressed through a final  
16      damages award”); *Software Rights Archive*, 2013 WL 5225522, at \*6 (plaintiff “does not risk  
17      irreparable harm by defendants’ continued use of the accused technology and can be fully  
18      restored to the status quo ante with monetary relief”).

19       RSRI’s opportunity to respond to the IPR petition expires in April 2015, and by July  
20      2015, the PTAB will have decided whether to institute the IPR. The IPR will be resolved within  
21      12 months of the institution decision, or by June 2016 at the latest. As noted by Judge Grewal:

22       [M]any judges, including this one, have been skeptical of delaying a patentee’s  
23      day in court for what could turn out to be years as the PTO and the appellate  
24      courts complete their work. With the passage last year of the America Invents  
25      Act (“AIA”), and its promise of speedier procedures at the PTO, perhaps the time  
26      has come for even the most [sic] among us to at least reconsider.

27      *Pi-Net Int’l*, 2013 WL 4475940 at \*1. Given the short timeline for conclusion of IPR proceedings,  
28      RSRI faces no tactical disadvantage, and Samsung gains no tactical advantage, in seeking a stay  
29      of this litigation. Conversely, the risk of prejudice in not staying the case is great. As noted above,  
30      the parties and the Court may expend substantial resources construing claims, and arguing over  
31      validity, invalidity, and damages issues, only to have all of that effort deemed moot should the  
32      PTAB ultimately decide to cancel the claims. *See Evolutionary Intelligence*, 2014 WL 261837, at



1 \*2. For these reasons, this factor weighs heavily in favor of a stay.

2 **V. CONCLUSION**

3 For the foregoing reasons, the case should be stayed in its entirety until further order of  
4 this Court following the later of (1) the PTAB's denial of the IPR petition, or (2) the issuance of  
5 the final written decision in the IPR proceeding that the PTAB instituted and the completion of  
6 any appeal thereof.

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8  
9 Date: April 2, 2015

FISH & RICHARDSON P.C.

10 /s/ David M. Barkan

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